



KING CITY
UNION SCHOOL
DISTRICT

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February 22, 2001

Honorable Robert O'Farrell
Presiding Judge of the Superior Court – 2001
Grand Jury – County of Monterey
Salinas, CA 93901

Re: Response to the 2000 Monterey County Civil Grand Jury

Dear Judge O'Farrell:

I am writing in response to the Final Report of the 2000 Monterey County Civil Grand Jury, regarding the use of California State Lottery Funds in Monterey County.

As noted in the background section of the report on page 23, "Beyond stating that funds be used exclusively for education, the 1984 law only specifies that no moneys should be spent for acquisition of real property, construction of facilities, financing of research, or any other non-instructional purpose." While the California Department of Education "recommends" that lottery funds be used for non-recurring expenses, the actual use is left up to the local administrators and elected school boards, since each district may have different needs.

Proposition 20, which became law on March 7, 2000, did state that any increase above the 1997/98 level of lottery funding that 50% of the increase be spent on instructional materials.

The Grand Jury report also states on page 24 that, "At the time of the Grand Jury's survey, there was no evidence that any lottery education reserves were being spent for prohibited purposes in Monterey County."

To comply with Penal Code Section 933.05, our official District responses to the recommendations on page 25 of the 2000 Monterey County Grand Jury Report are:

Recommendation #1:

The County Superintendent and all Monterey County school districts receiving revenue from the California Lottery, verify that they have established and are maintaining separate accounts for the receipt and expenditure of these funds as required by Section 8880.5 of the California Government Code.

SANTA LUCIA SCHOOL
DEL REY SCHOOL
SAN LORENZO SCHOOL

District's Response: This recommendation has been implemented since 1984, and has been certified each year by our District's independent CPA audit.

Recommendation #2: The County Superintendents and all Monterey County school districts review their accounting practices to facilitate tracking and compliance with the new requirements of California's Cardenas Textbook Act of 2000, as defined in Section 8880.4 of the California Government Code.

District's Response: This recommendation was implemented in our District during the 1999/2000 fiscal year, prior to the Grand Jury's Report. While the Cardenas Textbook Act of March 2000 only requires that 50% of new lottery revenue (above the 1997/98 level of funding) be used for instructional materials and supplies, our District uses 100% of all lottery funds for these purposes. As the State's Instructional Materials' allocation has not kept pace with the increasing costs of needed textbooks and supplemental instructional materials, all available resources are used to fill this void. It should also be noted that our District has never used lottery money to fund salaries.

I trust that this response satisfies the Grand Jury's requirements; however, feel free to contact me at 385-1144, extension 4311, if additional information is needed.

Sincerely,



Stephen H. Young
Superintendent
King City Union School District

cc: Susan Balesteri – Foreman 2000 Grand Jury
Dr. Bill Barr, County Superintendent of Schools
Board of Trustees – King City Union School District